

GLOSSARY

additionality	A requirement that a project or activity produces emissions reductions that are additional to any that would have occurred in the absence of the project or activity.
agriculture emissions	Emissions resulting from livestock digestive processes (enteric fermentation), manure management, nitrous oxide emissions from cropping and pastureland soils, prescribed burning of savannas and burning of agricultural residues.
Australian Carbon Unit	An emissions unit established by the Clean Energy Act, issued for the purposes of the carbon pricing mechanism. The total number of units issued each year does not exceed the cap.
Australian Carbon Credit Unit	A type of emissions unit issued for verified emissions reductions under the Carbon Farming Initiative and held in the Australian National Registry of Emissions Units.
baseline	A counterfactual scenario of future emissions that would have occurred without the emissions-reducing activity.
business-as-usual	Emissions that would occur without any additional policy intervention.
carbon dioxide equivalent	A measure that quantifies different greenhouse gases in terms of the amount of carbon dioxide that would deliver the same global warming.
Carbon Farming Initiative	An Australian emissions offset scheme that credits emissions reductions from certain sources, such as forestry and agriculture, that are not covered by the carbon pricing mechanism.
carbon price	The price of an emissions unit.
Carbon Pricing Mechanism	An emissions trading scheme that puts a price on Australia's greenhouse gas emissions. It was introduced under the Clean Energy Act and applies to Australia's biggest emitters (called 'liable entities').
Certified Emission Reduction	An emissions unit issued under the Clean Development Mechanism, for emissions reduction projects in developing countries. These CERs can be traded and sold, and used by industrialised countries to help meet their emissions reduction targets under the Kyoto Protocol.
common practice	A requirement that a project or activity produces additional environmental benefits that would not occur as part of normal business practice.
coverage	Which entities would be eligible or required to participate in a scheme, and which emissions would be included.
covered emissions	Emissions from sources covered by the carbon pricing mechanism.
Direct Action Plan	The government's policy to reduce greenhouse gas emissions and establish a clean-up and environment conservation program. A central element of the plan is the Emissions Reduction Fund.
direct combustion emissions	Emissions released when fuels are combusted for stationary energy purposes, such as generating heat, steam or pressure (excluding electricity generation). These emissions are released by large industrial users, and by small, dispersed residential and commercial consumers.
Domestic Offsets Integrity Committee (DOIC)	An independent expert committee that assesses proposals for methodologies under the Carbon Farming Initiative and advises the Minister for the Environment on their approval.
electricity emissions	Emissions released when fuels, such as coal and natural gas, are combusted to generate electricity.
emissions factor	A data source used to construct a baseline. The emissions factor relates to the emissions intensity of a production process or activity.
emissions intensity	A measure of the amount of emissions associated with a unit of output; for example, emissions per unit of gross domestic product.
emissions reduction	The act or process of limiting, restricting or sequestering greenhouse gas emissions.
Emissions Reduction Fund	A \$3 billion fund proposed by the government to allocate money through a reverse auction to emissions reduction tenders to projects that to reduce emissions.
emissions reduction target	A goal for national emissions in a specific year.
emissions trading scheme	A market-based approach to reducing emissions that places a limit on emissions allowed from all sources covered by the scheme. Emissions trading allows entities to trade emissions units with other entities. In general, trading can occur at the domestic, international and intra-company levels.
fugitive emissions	Greenhouse gases emitted during the extraction, production, processing, storage, transmission and distribution of fossil fuels such as coal, oil and gas.

greenhouse gas	Any gas (natural or produced by human activities) that absorbs infrared radiation in the atmosphere. Key greenhouse gases include carbon dioxide, water vapour, nitrous oxide, methane and ozone.
industrial process emissions	Emissions from industrial processes including metal production, synthetic greenhouse gases, chemical processes, mineral production and other processes. Excludes emissions from combustion for energy purposes.
Kyoto Protocol	An international agreement adopted under the United Nations Framework Convention on Climate Change in 1997. It includes binding national targets for developed countries and flexible mechanisms including the Clean Development Mechanism (CDM).
Kyoto unit	Emissions units eligible for compliance with Kyoto Protocol targets—these include assigned amount units (AAUs), certified emission reduction units (CERs), emission reduction units (ERUs) and removal units.
land use, land use change and forestry (LULUCF) emissions	Emissions associated with human-induced changes in land use, such as deforestation, afforestation and forest management.
National Greenhouse Gas Inventory	An annual time series compilation of Australia's emissions data, prepared by the Department of Environment in line with UNFCCC guidelines.
National Greenhouse and Energy Reporting System	A system established for the reporting of emissions, energy consumption and production by large emitters. This was established under the National Greenhouse and Energy Act 2007.
positive list	A register of emissions reduction activities eligible to earn carbon credits under the Carbon Farming Initiative. The positive list aims to ensure credits are issued only for additional emissions reductions. A methodology cannot be approved for use under the Carbon Farming Initiative unless it relates to an activity on the positive list.
Renewable Energy Target	A Commonwealth Government scheme that places a legal obligation on electricity retailers and large electricity users to buy a certain proportion of their electricity from renewables-based generation.
stationary energy emissions	Emissions from electricity generation and direct combustion.
transport emissions	Emissions from vehicles, combusting or otherwise, converting fuels to move people and freight, reported across four modes—road, rail, domestic aviation and domestic shipping. International aviation and shipping emissions are excluded from Australia's national inventory.
United Nations Framework Convention on Climate Change (UNFCCC)	An international treaty that commits signatory countries (Parties) to stabilise greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous human-induced interference with the climate system.
voluntary action	The autonomous decision of individuals, companies or governments to reduce greenhouse gas emissions, such as to offset emissions to be carbon-neutral.
waste emissions	Emissions, mainly methane and nitrous oxide, that arise as organic waste decomposes in the absence of oxygen.
white certificate	A tradable instrument issued to certify that a certain reduction of energy consumption has been attained. White certificates are used to certify that a liable party has achieved its part of an obligation under a mandatory energy efficiency scheme.